

FCC

Received & Inspected

NOV 13 2012

FCC Mail Room

# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

James Walker

Co. Rd. 2210 Huntsville, Mo

Bruce Harrington

32583 Lampighter Atlanta Mo

Anna Smith

Excelsior MO

Thomas Johnson

Salisbury, Mo.

Sammy Hill

1029 CR 1025 Clifton, IL

Lois Bonnet

16028 Chestnut Ave Salisbury Mo 65262

Beth Chiraltin

23567 Greyhound St Bevier, MO 63532

Darren Wyatt

31231 Marshall Rd Jacksonville GS260

Gary Jackson

695-4455  
405 Broadway Macon, Mo 63552

Pat Farney

122 Manor Dr Salisbury Mo 65281

Maggie Samp

3220 County Rd 1155 Huntsville MO

Steve Kristner

19638 East Place Callao Mo 63534

Robert C. Turner

308 N. EASTVIEW DR SALISBURY MO 65281

Charlotte Miller

14255 CR 291 Hale, MO 64643

Marenda Weisman

308 W 10th Salisbury Mo

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To

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Name

Address

Steve Williams

Jacksonville, Mo

Raymond Greener

Salisbury Mo

Brenda Davis

Cairo

Wanda Mathis

Cairo MO

Jim K. Dunderberg

Salisbury MO

Dee F. Fouch

~~Salisbury~~ Salisbury Mo

Rebecca Middlebrooks

Salisbury, Mo.

Constance Flynn

Bevier Mo

Della Lyn Kelly

Macon, MO

Larry Kelley

Salisbury MO

John Sampson

Hale, MO.

Judy Schuck Kiese

New Boston, Mo

Karl Kiesel

Clifton Hill mo

Ruth Ann Washam

Salisbury, mo.

Sadie Reed

Moberly mo

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To

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Name

Address

Irene Wyatt

35197 St Hwy 1400

Manda Wyatt

Bevier, Mo.

Diane Adams

Bevier Mo

Patty Cheever

Bevier, Mo.

Cindy Lucas

Excelsior, MO 65247

Gene Dumont

Salisbury

Orville Dumont

Elizabeth Henke

Salisbury

Bob Lockard

Salisbury

Ann Leigh

Bevier

Holly Woodridge

Huntsville, MO 65259

Billy Mott

Salisbury Mo 65281

Harry Vassa

Neale Vassa

Linda E. Williams

Jacksonville, MO

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Name

Address

<u>Dawn Porter</u>	<u>28606 Walton Ave Salisbury</u>
<u>Harvey Porter</u>	<u>28606 WALTON AVE Salisbury</u>
<u>Randall Watson</u>	<u>24092 Garden St Beaver Falls 15332</u>
<u>Valma Barkshire</u>	<u>Salisbury MO</u>
<u>Verna Taylor</u>	<u>Salisbury Mo. 65281</u>
<u>Levella Wright</u>	<u>Salisbury Mo. 65281</u>
<u>Judy Hinkle</u>	<u>24909 Salisbury</u>
<u>Mildred Cabelo</u>	<u>301 S. Grand Salisbury MO 65281</u>
<u>Wendy Trueman</u>	<u>21126 Hwy 67 Salisbury MO</u>
<u>Rita Wolfe</u>	<u>1008 Whitings Fayetteville MO</u>
<u>Henry Wolfe</u>	<u>1003 Lehigh Fayetteville, Mo</u>
<u>Jo Ann Henke</u>	<u>601 S. Birch Salisbury</u>
<u>Denise Crutchfield</u>	<u>Huntsville</u>
<u>Sheldon Schaffler</u>	<u>1970 County Road 2210 Huntsville 65258</u>
<u>Floyd Turner</u>	<u>31379 Stonewall Ave Salisbury Mo</u>

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

Lang Miller

Huntsville

Carol Brown

Keysterville

Judy Webster

Clyton Hill

Edward H. Mason

Salisbury

Laurel L. Gorman

Bucklin

James H. King III

26324 Maple Dr Bucklin Co 64631

Charles Michaelis

25419 State Hwy 7 Excelsior Mo

Sam Mitchell

" " " "

Jack Michaelis

Cairo Mo

Margaret Morris

Hazel Engel

Glasgow Mo.

Anna J. Gainer

1953 G Rd 1170 Huntsville, Mo

Ronald K. Gainer

1953 G Rd 1170-Huntsville, Mo,

Sam Harlan

Dellie Webster

Huntsville Mo.

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Co-op Members and Customers of Chariton Valley Telephone Corporation

To

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Name

Address

Robert Still

Hoytesville

Walter H. H. H.

Salisbury

Jim H. H. H.

Salisbury

Harry H. H.

Salisbury

Joe Emmerich

Salisbury

Kenneth H. H.

Walter H. H.

GREY H. H.

Randy H. H.

Bowling MO.

Shirley M. Miller

Huntsville MO

Jim H. H.

Salisbury MO

Joe Miller

Huntsville MO

W. H. H.

Salisbury MO

Harold D. Oliver

Huntsville MO.

Al Brown

Clifton MO

Leslie A. H. H.

3388 St. Hwy FF

Louis H. H. H.

New MO 63532

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

<u>Karl Bach</u>	<u>36518 Elm Road Salisbury Mo 65281</u>
<u>Jane Leary</u>	<u>617 N. Bkwy Salisbury Mo</u>
<u>Mike Alts</u>	<u>503 S Lefevre Salisbury Mo</u>
<u>RLW</u>	<u>407 PINE ST BUCKLIN MO</u>
<u>Angie Noah</u>	<u>414 Ruby St Bucklin Mo</u>
<u>Mary W. Safemeister</u>	<u>34131 Salem Ave. Salisbury, MO 65281</u>
<u>Deane Bennett</u>	<u>26667 Kentucky Ln Salisbury MO 65281</u>
<u>Leighton Keif</u>	<u>104 Lathrop St. Bucklin, Mo. 64631</u>
<u>John Palmer</u>	<u>110 LATHROP ST. BUCKLIN MO 64631</u>
<u>Brenda Meyer</u>	<u>408 W 11TH Salisbury Mo 65281</u>
<u>Lush Kothe</u>	<u>35190 Oz Road Salisbury Mo 65281</u>
<u>Larry Kothe</u>	<u>35190 Oz Road Salisbury Mo 65281</u>
<u>Janet Lambeth</u>	<u>1942 Co. Rd 1255 Canby MO 65239</u>
<u>Arlin Nixon</u>	<u>2633 CK 2445 Moberly, Mo 65259</u>
<u>Marta Mallow</u>	<u>11435 Apple St. Bucklin Mo 64631</u>

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## PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

E. Allen Kohler

Huntville

Melvin Paevel

Salisbury MD

M. L. Lewis

Clifton Hill, MO

Mary Williams

Clifton Hill, MO

Rebecca Emmerich

Salisbury MO

Steven Kruessel

Salisbury Mo.

Lee Kitchener

Buckles Mo

Lisa Tenney

Bucklin Mo.

Paula Brown

Bucklin, Mo.

Mark Ramsey

Salisbury, Mo

Ida Leutheng

Glasgow, MO

Ralph Livingston

Bewier MO.

Jane Wallace

New Boston mo.

Wesley C. Weiner

Salisbury Mo

April L. Spence

Salisbury, Mo.

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# PETITION

From The

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To

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Name

Address

Dale Hendricks	Clifton Hill, Mo.
L. H. (Kim White)	Huntsville, Mo
Ethel Baumann	Huntsville, Mo
Chris Brown	Salisbury Mo.
Wilma Fauts	Salisbury Mo.
Shirley Bupp	Salisbury Mo
Dorothy J. Whit	PALE mi
Kenneth Fauts	Salisbury, Mo.
Robert W. Kellogg	Salisbury, Mo
Kathryn Milner	New Boston, MO
Elsie J. Hopkins	H. Hopkins'
Patty Mollie	Cairo
Marlene Mathis	Cairo
Lucia Stedman	Salisbury
Kay Watson	Bever

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

Jerry Samuel

27487 Lona BRANCH LAKE MAcon, MO

John Shaubert

207 S Macon St Bucklin Mo.

Donna Bell

1625 N Gannon Marceline, MO

Lena Dunen

21001 Lachot St. Jacksonville MO

Jill Rater

35041 Hwy 0 Salisbury, MO 65281

Lee Miller

14255 CR 291 HALE MO 64643

Sherry Key

418 W. Chestnut St. Callao, MO. 63534

Chris King

1010 S Broadway Salisbury Mo 65281

Mary Stark

39009 Hwy 24 Salisbury 65281

Janet Kurnosky

305 N. Flower Ln Salisbury Mo 65281

Richard Kurnosky

305 N. Flower Ln SALisbury 65281

Kenny Wyatt

39512 St Hwy 3 Callao 63534

Robert Helmick

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Warner Kitchen

209 W FRONT AVE. NEW CAMBRID, MO. 63588

Doris Kitchen

209 W Front Ave New Cambridge Mo.

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

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313 East 4<sup>th</sup> Salisbury, MO

Phurlo Schauffler

1970 County Road 2210 Huntsville, MO 65259

Warren Ross

15688 Hwy 129 Salisbury, Mo

<sup>100</sup> Elizabeth Wright

39257 Oregon St. Excelsior, MO

For Wright

Excelsior

Dine Mesters

Michael A. Ugher

31607 State Hwy C Becklin, Mo 65877

Mary Almond

17136 Hwy 129 New Boston, MO

Joe Roth

1404 Co Rd 1815 Cairo, Mo 65239 63557

John L. Stoney

505 N. Blaines Dr. Salisbury, Mo 65281

Paul Harmon

Salisbury

Betty Harmon

Salisbury

Shirley Black

Becklin, MO

HARLEY FUNK

HUNTSVILLE MO

CHARLA FUNK

HUNTSVILLE MO

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

Bonnie McElhenny

Collao Mo

Betty B Smith

Berrie, mo

Jerry Monney

1231 Manor Dr Salisbury Mo 65281

Chad Seifass

34302 State Hwy 3 Collao, MO  
63534

Auti

36808 McDONALD

Cathy Parks

20 E. Liberty Kentville 65259

Ruthie Queen

30007 Hwy 129-S Salisbury MO  
65281

Andy Bass

Salisbury

Linda Reed

7193 Hwy BB Huntville Mo 65.

Johnnie Loretta  
Saltwater

Betty Leatherwood

Salisbury

Lars Bell Johnson

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Clare McNeil

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Eileen Terry

New Cambria, MO 63558

Louis Stewart

Huntville, MO 65259

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

Cheryl A. Grogg

39631 US Hwy 63, Jacksonville, Mo 65260

Ruby G. Grogg

18585 Gleane Salisbury,

Sharon Grogg

1005 S Broadway Salisbury

Ala Lenneman

4442 Cp. / Ton. Hwy. Mo 65241

Raymond Hughes

P.O. Box 174 Bucklin Mo.

Linda Sanders

32521 French Rd Glasgow Mo.

Joyce Swallow

117 Melody Lane Salisbury, Mo.

Jan F. Fuster

36518 Elm Road Salisbury, Mo 65281

Jim Springer

39057 Hwy 24 Salisbury Mo.

Franklin R. Lyon, Jr.

106 E. LIBERTY ST APT 2 HUNTSVILLE MO 35259

R. F. McFarren

401 E. 2<sup>nd</sup> St Salisbury Mo 65281

Wilbur Wain

4706 Hwy F Clifton Hill Mo 65244

Connie Wain

4706 Hwy F, Clifton Hill, Mo 65244

Ang Noah

414 Ruby St Bucklin, Mo 65031

R. L. Linn

407 PINE ST BUCKLIN MO

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# PETITION

From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

FCC Chairman Julius Genachowski

Name

Address

Carol Johnson

308 Pine St. Bucklin, Mo.

Doug Finner

405 S LEFEVRE SALISBURY MO

Lois Wood

15258 Hwy 2 New Cambria, MO

Jay Wood

15258 Hwy 2 New Cambria, MO

Dorothy Bemeider

33920 Salem Ave Salisbury mo

Harold Shatto

12127 CR. 355 Hale mo 64643

Sarah Green

105 W. 3rd. Bucklin mo 64631

Scott Shapko

501 N. Blevins Mo 65281

Betty Mills

210 Gentry, Bucklin, Mo 64631

Kandra Veysel

15808 Hwy 129 New Destro, Mo 63557

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# PETITION

From The  
Co-op Members and Customers of Chariton Valley Telephone Corporation  
To

FCC Chairman Julius Genachowski

Name

Address

John Ratliff

603 E South Dr, Salisbury, Mo

Luigi J. J.

615 W. Depot, Huntsville, Mo

Pat McAdams

688 Harlan St. Clifton Hill, Mo.

Rose Eberhardt

1421 CR 1780, Cairo Mo

Mark Eberhardt

1421 CR 1780 Cairo, Mo

Jeanne Fyfe

33898 St Hwy FF, Beaver Mo

Shari Barrow

404 W. 13<sup>th</sup> St., Salisbury, mo

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# PETITION

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Co-op Members and Customers of Chariton Valley Telephone Corporation

To

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Name

Address

Jason Sully

214 East Howell Marcelline Mo 64658

Rich Standley

24600 Hwy 129 Bucklin, Mo. 64631

Steve Sand

520 Johnson Huntsville Mo

Anthony March

Salisbury Mo 65281

Dorothy M. Kertz

1295 Hwy 2 HUNTSVILLE, MO 65257

Gene & Joyce

615 W. Depot Huntsville Mo 65257

James Waller

30962 St. Hwy. T Excelsa MO 65247

Alvin Waller

30962 St. Hwy. T Excelsa MO 65247

Gary Bannan

404 W. 13th St. Salisbury, MO 65281

Ron Johnson

34692 Hwy T. Salisbury 65281

Martin Hafemeister

34131 Salem Ave Salisbury Mo 65281

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From The

Co-op Members and Customers of Chariton Valley Telephone Corporation

To

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Name

Address

Edwin Scott

2154 Country Rd. 2610 Moberly, Mo.  
65270

Ann Harlan

113 E. Mulberry Huntville Mo 65259.

Shoold Walter

10795 Jacksonville Mo 65260

George R. Courten

30510 St Hwy T, Excello, 65271

Ronnell Courten

30510 St. Hwy T, Excello, Mo. 65271

Kerry Sears

1578 Co Rd 1235 Huntville, mo

Glenn Wailes

2595 Cty Rd 2315 Moberly MO 65270

Cynda McKenzie

1913 Eastbrook C. Moberly. MO.

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To

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Name

Address

Polly Rippel

427 Grand Ave Huntsville, MO 65259

Andrew Rippel

1644 CR 1245 Moberly, MO 65270

James Vee

515 South 9th Moberly, MO 65270

Lara Savoy

313 E Burkhardt Moberly MO 65270

Cynthia Blintz

39153 Falcon Rd New Cambria 63558

George B

1303 Buchanan Moberly 65270

Michelle J. Shura

500 Jefferson Ave, Moberly, MO 65270

Nancy Harold

3809 County Rd, Huntsville, MO 65270

Debra Harold

3809 County Rd Huntsville, MO 65270

Angela Koch

4258 CR 1245 moberly mo 65270

Virginia Kirk

816 N. Sturgeon Moberly

Timothy A. Lantz R/S

4129 County Rd 1800 Cairo, MO 65239

Angela Jones

707 Lida Street Huntsville MO 65259

Sandra Vaughan

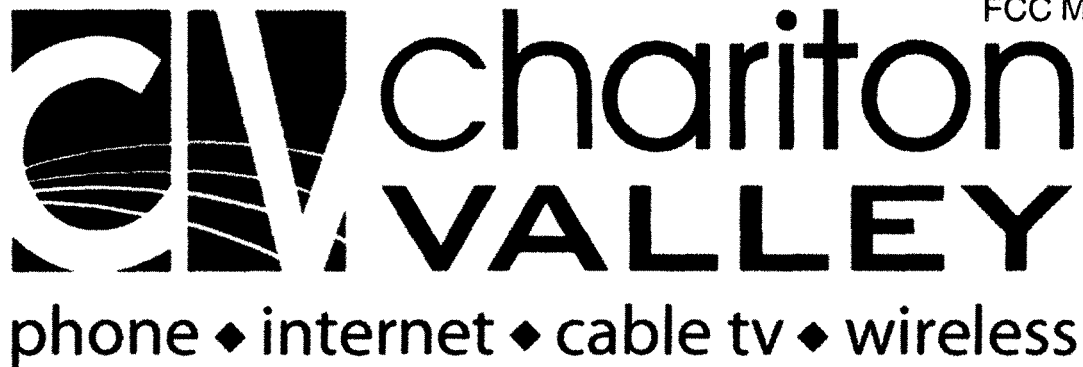
102 Elm Huntsville, MO.

Dylan McKinney

1913 East 5th St Moberly MO 65270

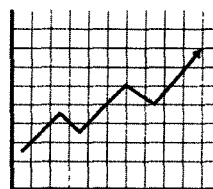
NOV 13 2012

FCC Mail Room



Economic Impact of Reductions in Universal  
Service Fund and  
Intercarrier Compensation Revenues to  
Chariton Valley Telephone Corporation

Contact: Dr. David M. Mitchell, Director  
Bureau of Economic Research  
Missouri State University  
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(417) 836-5551



Bureau of Economic Research

*Tracking the Missouri economy since 1971*

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# The Impact of the Federal Communications Commission Reform of Universal Service Funding and Inter-Carrier Compensation on Chariton Valley Telephone Corporation

Chariton Valley Telephone Corporation, a member owned cooperative, with headquarters in Macon, Missouri, has a 60 year history of providing leading edge telecommunication service in north central Missouri. Chariton Valley's portfolio of services include wireline and wireless voice and broadband services, as well as analog video and IPTV with fiber-to-the-premise service connections to over 55% of its customer base. Chariton Valley was an early adopter of IP technology using IP network technology for its 300+ mile transport ring and fiber-to-the-premise service beginning in 2003. Chariton Valley Telephone's competitive local exchange carrier (CLEC) subsidiary, Chariton Valley Telecom Corporation, was the first company in Missouri to use an IP fiber-to-the-premise network to overbuild of an incumbent local exchange carrier (ILEC).

Chariton Valley's forward looking service plans include the continued building of advanced broadband services to all its customer base until the Federal Communications Commission's November 2011 Order directing Universal Service Fund (USF) and Inter-Carrier Compensation (ICC) reform was released. Analysis of the FCC's reform of USF and ICC indicates there will be substantial reductions in Chariton Valley Telephone's USF support. USF support to competitive eligible telecommunications carriers (CETCs) such as Chariton Valley Wireless Services will be completely eliminated over five years. The reform calls for reductions in the amount of terminating ICC received by Chariton Valley Telephone Corporation and its CLEC subsidiary Chariton Valley Telecom. Terminating ICC will be reduced to "bill and keep" or \$0 in nine years for Chariton Valley Telephone and five years for Chariton Valley Telecom. The FCC's reform order calls for the implementation of benchmark rates and an Access Recovery Charge or ARC, causing local service rates to increase in an area that has not yet recovered from the recession.

Chariton Valley implemented an increase in local service rates and the ARC, and reduced terminating access rate in July 2012, per the FCC's reform order. On June 1, 2012, Chariton Valley mailed its customers a letter announcing the local service rate increase and implementation of the ARC. Since the letter was mailed, Chariton Valley has experienced an increase of 38.46% in the trended rate of disconnected local service (voice) by its customers in June and July compared to the prior six months. Broadband services moved from month over month historical growth to the first decline in broadband customers in over five years. This is contrary to the FCC's expectation that reform would have little negative impact on rural telecommunications providers, and contrary to the FCC's intent to increase broadband subscription.

The FCC's reform of USF and ICC has created "uncertainty" as to the future financial viability of Chariton Valley. This uncertainty has caused Chariton Valley to stop further deployment of fiber-to-the-premise in the Chariton Valley Telephone Corporation service area. Chariton Valley's CLEC, Chariton Valley Telecom, does not receive USF support, but does rely on ICC to

Chariton Valley Telephone Corporation  
A Leader in Telecommunication Services

Chariton Valley, like many rural telephone companies, came into being following the 1949 passage of the Telephone Amendment to the Rural Electrification Act. The concept of “universal service” became firmly entrenched as the law of the land. This cornerstone of national social policy was meant to ensure that all Americans, regardless of where they live, receive quality telephone service at reasonable rates. The first meetings that led to the formation of Chariton Valley were held in January, 1950. On November 22, 1952 the Missouri Secretary of State authorized the cooperative to do business as Chariton Valley Telephone Corporation. The new company established its headquarters in office space rented from Macon Electric Cooperative in Macon, Missouri.

In 1954 the Board of Directors voted to move the headquarters from Macon to rented offices in Bucklin. Chariton Valley’s phenomenal growth soon resulted in the Bucklin office becoming too small and the Board agreed to construct a new headquarters and warehouse on the northeast edge of Bucklin. Later, the Board voted to build customer service centers in Huntsville and Salisbury and a central switching office was also constructed in Huntsville.

Chariton Valley started with three exchanges that included Bynumville, Bucklin and Ethel. The commitment to cutting edge technology became a Chariton Valley standard when all three exchanges were converted to dial service in 1956. Operations were expanded to eventually include today’s 18 exchanges. From its obscure beginnings as a rural telephone cooperative Chariton Valley has evolved into a state of the art communications provider whose services are second to none. Our record speaks louder than words:

**1963:** By the end of 1963 all 18 Chariton Valley exchanges were converted to dial service. Much of the country was still years behind.

**1977:** Chariton Valley became the first multi-exchange telephone company in Missouri to have a complete one party system. No more party lines!

**1983:** Chariton Valley Communications Corporation was created to provide cable TV service in Bevier, Bucklin, Callao and Excello.

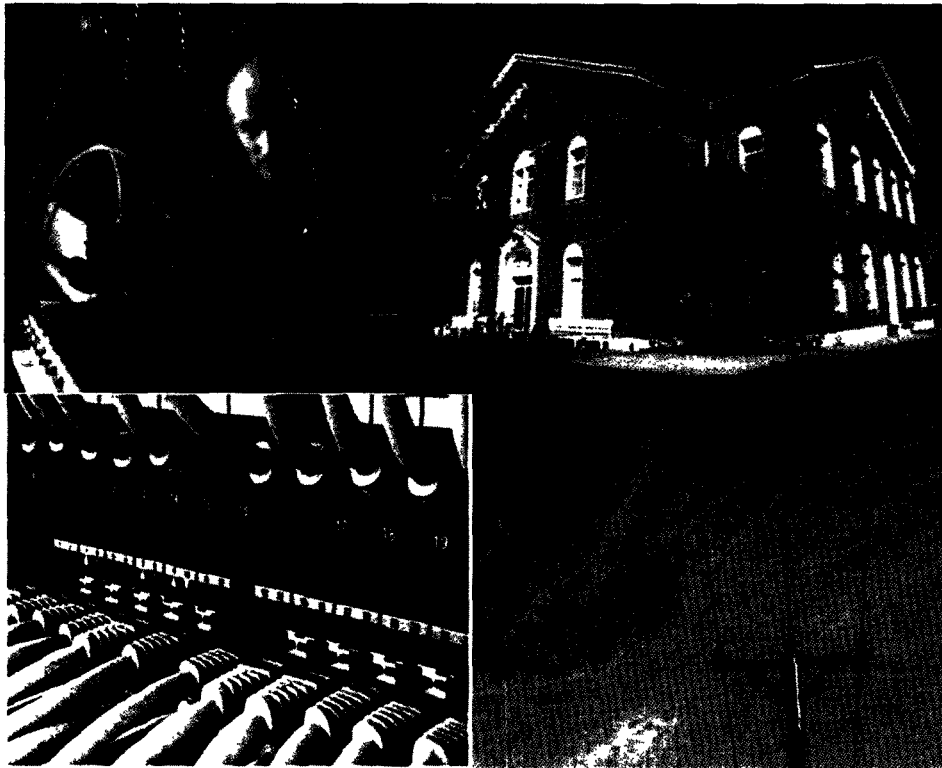
**1989:** CV Cellular, now Chariton Valley Wireless Services, was established to provide wireless service.

**1995:** Chariton Valley Telephone was the first to provide local Internet access with its dial up Internet service. A new digital switching system made it possible to offer the latest up-to-date communications services, including Caller ID and Call Waiting.

Chariton Valley constructed a new corporate office in Macon at a cost of \$1,700,000 and a Data Center/Network Operations Center in 2009 in Huntsville at an additional cost of \$1,400,000. None of Chariton Valley's investments were offset with tax incentives or subsidies.

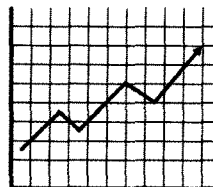
At Chariton Valley we realize that any investment in the future of this area must include our young people. Each year our employees visit area schools to teach 3<sup>rd</sup> grade students how to effectively use the 9-1-1 system to report emergencies. During the last five years 2,895 students have received the training. We also award five \$500 college scholarships each year and sponsor one student on an all-expenses paid trip to Washington, DC. Plus, CVTV makes its cameras and equipment available to area schools and we frequently air student produced programming on our local content channel. In doing so, we not only provide opportunities for students to learn about videography, but to also create a video record of events that are important in their lives.

Why do we do it? Chariton Valley – and its employees – support local communities because they are our communities too. We live here, shop here, worship here, and send our children to school here. Our past and our future are intertwined with our customers and we hope that it is profitable for all concerned.



# Economic Impact of Reductions in Universal Service Fund and Intercarrier Compensation Revenues to Chariton Valley Telephone Corporation

Contact: Dr. David M. Mitchell, Director  
Bureau of Economic Research  
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# Economic Impact of Reductions in Universal Service Fund and Inter-carrier Compensation Revenues to Chariton Valley Telephone Corporation Executive Summary

The Federal Communications Commission (FCC) has ordered changes to the Universal Service Fund (USF) program and to interstate and intrastate Inter-carrier Compensation (ICC) systems. The USF was established to ensure telecommunications consumers in rural high-cost areas would have access to telecommunications and information services comparable in quality and price to those available in urban areas. The USF program accomplishes this by providing support to the higher cost of providing communications networks in rural areas.

Prior to the FCC Order, interstate and intrastate Inter-carrier Compensation (ICC) has also been designed to provide support to higher cost rural network providers. Rural networks are more expensive per customer to build, maintain, operate and expand than are urban networks. As there is less customer density in rural areas there is also less network usage with which to recover those costs. ICC allowed the rural network provider to charge other companies for using their rural networks to originate and terminate calls in rural areas. Like USF, ICC was designed to provide financial support to rural network providers so that rural customers would have rates and services comparable to those of more urban customers.

Chariton Valley Telephone Corporation (CVTC) operates in rural north-central Missouri. CVTC relies heavily upon USF and ICC, which provide over half of its total operating revenues. CVTC provides wireline and wireless telecommunication services, as well as broadband access and television services to rural areas that, when compared to the rest of the country, are predominately poorer and have lower population densities.

Reducing USF and ICC revenues to Chariton Valley, as ordered by the FCC, was studied to determine its impact upon the statewide economy. The economic impacts of these decreased revenues to CVTC will multiply throughout the economy. Over the next several years, output in Missouri will decline between \$34 and \$41 million depending upon policy decisions the FCC has deferred to the future. Employment would diminish by between 155 to 187 jobs, with wages declining by between \$9 million to \$11 million during the 2012 to 2020 period. This diminished economic activity will lead to smaller tax revenues. Federal tax revenues will fall by \$2.05 to \$2.45 million. State and local tax revenues would decline by \$2 to nearly \$2.4 million.

These negative impacts to the Missouri economy will result from these revenue reductions to one firm, CVTC. A more thorough analysis should consider the impact of these revenue reductions to other communications firms providing similar services to rural areas of Missouri.

**1996:** CVLD Corporation was created to offer long distance service, voice mail, calling cards and 800# services.

**2002:** SpeedNet was deployed and offered Internet high-speed connectivity that was 14 times faster than what had previously been available. Chariton Valley began exploring the possibility of building a fiber-to-the-home network in Macon. Construction of FTTH in Macon started that Fall.

**2003:** Chariton Valley's corporate office was relocated back to Macon. The FTTH project was completed in Macon and customers started signing up for the triple play option of voice, video and data services on Missouri's first fiber-to-the-home network.

**2005:** Chariton Valley began expanding its fiber-to-the-home network to include Bevier, Callao, New Cambria and Bucklin.

**2006:** A new corporate logo was introduced that reinforced CV's commitment to quality communication service and personal customer service. A new corporate headquarters was constructed in Macon.

**2008:** CVTV, Chariton Valley's local content IPTV channel, went on the air to approximately 3,000 households.

**2009:** Chariton Valley constructed a state of the art Network Operations Center in Huntsville.

**2010:** By year's end Chariton Valley demonstrated its commitment to providing the best wireless coverage in its five county home area by doubling the number of cell towers.

**2012:** Chariton Valley launched its new CDMA network with 3G EVDO high speed data service; partnered with Verizon on the LTE in Rural America project; and is progressively working towards a 4G-LTE network. Computer repair was added to the growing list of services provided by Chariton Valley and the fiber-to-the-home network has expanded to fifteen towns, making the fiber service available to over 55% of Chariton Valley Telephone customers.

Chariton Valley's record of success is equaled only by its history of involvement in and support of the communities it serves. We are a frequent contributor, in terms of both money and time, to community events, fundraisers and organizations. CVTV regularly promotes upcoming events at no cost to the sponsoring organization. More significantly, the conversion to fiber optic cable is a costly yet necessary investment if our communities are to remain economically viable. Chariton Valley has developed a state of the art communications system that features fiber optic cable by invested nearly \$24,600,000 in the community of Macon and surrounding area as well as in our five county service area including the communities of Bevier, Callao, New Cambria, Bucklin, Salisbury, Hale, Ethel, Prairie Hill, Jacksonville, and Excello. Moreover, in 2006

support its network. As the result of phase down of terminating ICC to \$0, Chariton Valley Telecom's network expansion plans are greatly diminished. Some portions of the reform order have not yet been completed, causing further uncertainty and consternation. Rural consumers are penalized as the result of rural telecommunication service provider's decisions to stop deployment of broadband services due to the uncertainty brought about by the FCC's reform order.

Due to the projected impacts of the FCC's USF and ICC reforms on Chariton Valley and its subsidiary companies, Chariton Valley commissioned Dr. David M. Mitchell, Director of the Bureau of Economic Research at Missouri State University, Springfield, Missouri to prepare an impact study to Chariton Valley. The study titled Economic Impact of Reductions in Universal Service Fund and Intercarrier Compensation Revenues to Chariton Valley Telephone Corporation.

The impact study demonstrates that the negative effects of the FCC's USF and ICC reform reach beyond the immediate Chariton Valley service area, and will multiply throughout the economy, affecting jobs, wages and cause diminished economic activity leading to smaller tax revenues at the local, state and federal level.

We at Chariton Valley do not believe that it was the FCC's intent to cause harm to rural telecommunication service providers and rural consumers. But the FCC got it wrong, and efforts to convince the FCC that its reform methods are harmful have fallen on "deaf ears." Rural consumers need the help of their local, state and federal representatives to correct this wrong. The university's impact study shows the negative effects are far reaching. Time is short. It is important that rural consumers, as well as local, state and federal representatives, act now. Rural consumers need to encourage their representatives to contact FCC Chairman Julius Genachowski and remind him that the first rule of reform is to do no harm. The FCC staff should follow the advice of state regulators, who understand their communities far better than the regulators in Washington, D.C., and suspend implementation of reform measures that drastically cut support to rural telecommunications providers and rural consumers. Reform is needed, but it should proceed deliberately in a way that ensures that USF support is predictable; that reforms will be implemented in a way to encourage additional private investment in broadband deployment; and that the goal of promoting economic growth and job creation in rural communities can be realized.